

MANAGING DIRECTOR'S REVIEW

Our results for the first quarter ending 31st March, 2010 are very encouraging. Consolidated Net Income increased by 22% to \$2.875M compared to \$2.354M for the same period last year. Whilst we are happy with these results, we are cautiously optimistic as this level of performance will be difficult to sustain for the rest of the year unless there is significant improvement in the economy.

The first quarter saw growth both in Net Commission and Fees as well as Other Income resulting in an 8% increase in Total Income from \$7.500M to \$8.115M.

Although Staff Costs and Other Expenses showed increases, these were somewhat offset by a decrease in Insurance Expenses. As a result, Total Expenses only increased by 2%.

Both Net Income and Earnings per share for the profit attributable to the Equity Holders of the Company, increased by 12% and 15% respectively. Dividends were maintained at 16¢ per quarter.

The segment results for Insurance Company of The Bahamas continue to improve as ICB had a very good first quarter. On the other side, the Agency and Brokerage results were flat.

During the summer, we hope to launch a new specialty product, 'Sports Accident Insurance' for local and regional athletes. This policy will provide coverage for protection against the financial impact of an accident whilst participating in sports at home or abroad.



Marvin V. Bethell, FCII
Managing Director

CONSOLIDATED BALANCE SHEET As at 31 March, 2010 (amounts expressed in Bahamian dollars \$'000)

	December 31 2009	
ASSETS		
Cash & bank balances	\$ 15,006	10,969
Other assets	54,710	60,888
Property, plant and equipment	7,878	8,329
TOTAL ASSETS	\$ 77,594	80,186
LIABILITIES		
General insurance funds	\$ 34,642	40,033
Other liabilities	15,787	17,104
TOTAL LIABILITIES	50,429	57,137
Net assets	\$ 27,165	23,049
EQUITY		
Share capital	80	80
Retained earnings	17,492	16,072
Interest in own shares	(85)	(85)
Non-controlling interest	17,487	16,067
	9,678	6,982
TOTAL EQUITY	\$ 27,165	23,049

(unaudited)

LOCATIONS

Nassau

Collins Avenue	242.322.2341
Thompson Boulevard	242.325.8776
Soldier Road	242.393.6286

Family Islands

Freeport	242.352.7119
Abaco	242.367.2688
Exuma	242.336.2420

Turks and Caicos Islands

Providenciales	649.946.4761
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FIRST QUARTER INTERIM REPORT 2010



CONSOLIDATED INCOME STATEMENT
For the three months to 31 March, 2010
(amounts expressed in Bahamian dollars \$'000)

	31 March 2009	
INCOME		
Net commission & fees	\$ 5,584	5,120
Net earned premiums	2,131	2,193
Other income	400	187
Total income	8,115	7,500
EXPENSES		
Staff costs	2,325	2,205
Insurance expenses	1,213	1,465
Depreciation	130	128
Other expenses	1,572	1,348
Total expenses	5,240	5,146
NET INCOME	\$ 2,875	2,354
Attributable to:		
Equity holders of the Company	\$ 1,808	1,621
Non-controlling interests	1,067	733
	\$ 2,875	2,354
Earnings per share for the profit attributable to the equity holders of the Company (three months)	0.23	0.20

(unaudited)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
For the three months to 31 March, 2010
(amounts expressed in Bahamian dollars \$'000)

	Share Capital	Retained Earnings	Interests in own Shares	Total Shareholder's Equity	Non-Controlling Interest	Total Equity
Balance at January 1, 2009	80	15,729	(84)	15,725	6,248	21,973
Net income		1,621		1,621	733	2,354
Dividends		(1,278)		(1,278)	-	(1,278)
Balance at 31 March, 2009	80	16,072	(84)	16,068	6,981	23,049
Balance at January 1, 2010	80	17,471	(85)	17,466	8,102	25,568
Net income		1,808		1,808	1,067	2,875
Dividends		(1,278)		(1,278)	-	(1,278)
Balance at 31 March, 2010	80	18,001	(85)	17,996	9,169	27,165

(unaudited)

CONSOLIDATED STATEMENT OF CASH FLOWS
For the three months to 31 March, 2010
(amounts expressed in Bahamian dollars \$'000)

	March 2009	
Cash flows from operating activities:		
Net income for the period	2,875	2,354
Adjustments for:		
Depreciation	130	128
Loss (gains) on disposal of property, plant and Change in unrealised loss (gains) in securities	(44)	(184)
	2,961	2,298
(Increase)/decrease in current assets	3,036	1,903
Increase/(decrease) in current liabilities	(2,531)	(2,875)
Net cash from operating activities	3,466	1,326
Cash flows from investing activities		
(Purchase) or Sale of Investments	1,433	(1,359)
Additions to fixed assets	(105)	-
Net cash used in investing activities	1,328	(1,359)
Cash flows from financing activities		
Dividends paid	(1,278)	(1,278)
Net cash used in financing activities	(1,278)	(1,278)
Increase/(Decrease) in cash and cash equivalents	3,516	(1,311)
Cash and cash equivalents at beginning of period	11,489	12,280
Cash and cash equivalents at end of period	15,005	10,969
Represented by:		
Cash and current accounts	7,090	2,935
Interest bearing accounts	7,915	8,034
	15,005	10,969

(unaudited)

NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

These consolidated interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year December 31, 2009.

2. SEGMENT INFORMATION

The Group is organized into two business segments; Insurance Agents & Brokers and General Insurance.

The segment results for the period ended 31 March, 2010 are as follows:

	Agents & Brokers	Underwriting	TOTAL
Net commission & fees	\$ 3,943	1,641	5,584
Net premiums earned	-	2,131	2,131
Other income	86	314	400
	\$ 4,029	4,086	8,115
Insurance expenses	-	1,213	1,213
Other expenses	\$ 3,099	928	4,027
	\$ 3,099	2,141	5,240
NET INCOME	\$ 930	1,945	2,875

The segment results for the period ended 31 March, 2009 are as follows:

	Agents & Brokers	Underwriting	TOTAL
Net commission & fees	\$ 3,819	1,300	5,119
Net premiums earned	-	2,193	2,193
Other income	74	296	370
	\$ 3,893	3,789	7,682
Insurance expenses	\$ -	1,465	1,465
Other expenses	2,961	902	3,863
	\$ 2,961	2,367	5,328
NET INCOME	\$ 932	1,422	2,354

The segment assets and liabilities as at 31 March, 2010 are as follows:

	Agents & Brokers	Underwriting	TOTAL
Total assets	\$ 24,145	24,922	49,067
Total liabilities	11,956	9,946	21,902

The segment assets and liabilities as at 31 March, 2009 are as follows:

	Agents & Brokers	Underwriting	TOTAL
Total assets	\$ 26,194	53,991	80,185
Total liabilities	14,396	42,740	57,136

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